

FISCAL NOTE

Bill #: SB4

Title: Clarify bonding authority for aerospace technology infrastructure

Primary

Sponsor: Mike Taylor

Status: As amended

(Signed by FAX, copy available at OBPP)

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2001 Difference</u>	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Net Impact on General Fund Balance:	Unknown	Unknown	Unknown

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Department of Commerce:

1. SB 4 authorizes the Board of Examiners (Department of Administration) to issue up to \$20 million in general obligation bonds for aerospace transportation and technology infrastructure projects.
2. It is the intent of the Legislature that debt service on the bonds will be covered by the taxes generated to the state by aerospace transportation and technology infrastructure development projects. When requesting the Board of Examiners to issue bonds, the Department of Commerce is required to present to the board the following:
 - (a) Evidence satisfactory to the board that each aerospace transportation and technology infrastructure project has committed itself to locate its project in Montana and has acquired a site for the project.
 - (b) A certificate signed by the Director of the Office of Budget and Program Planning that the tax revenue to be received by the state from each project will be sufficient to meet debt service requirements.
3. Bond proceeds are appropriated to the Department of Commerce for assisting in funding authorized aerospace transportation and technology infrastructure development projects.
4. Since SB4 mandates that any projects financed with the bond proceeds are owned by the state, it is assumed that any expenditures would be recorded as assets on the balance sheet of the state's financial records.

(continued)

5. Although there are several potential projects that are dependent on passage of SB4, the Department of Commerce is unable to accurately quantify the potential fiscal impacts at this time.

FISCAL IMPACT:

	<u>FY2001</u> <u>Difference</u>	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	Unknown	Unknown	Unknown

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The successful development and implementation of a project of this magnitude would be beneficial to the community in which the project would be located.

LONG-RANGE IMPACTS:

The successful development and implementation of a project of this magnitude would be beneficial to the state as tax revenues would be expected to exceed bond costs.